

AGENDA ITEM # 8.A.
DATE: 6-28-04
COAC NUMBER: 04-2097.doc

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

SUBJECT: Purchase of Pierce Manufacturing Hazardous Materials Response Truck on a Sole Source Basis	STAFF PRESENTER: Mike Ullman, Deputy Fire Chief COMPANY CONTACT:
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RECOMMENDATION:

Council approve the purchase of a Hazardous Materials Response truck from First In Incorporated, the sole provider of Pierce Manufacturing in Arizona, for the amount of \$249,790.00. Standardization of fire apparatus is allowed under City Code § 3-4-9 (E) Exemptions From Bidding Requirements (*A purchase where only one person or entity has the ability to provide the service or goods, including, but not limited to, cases where standardization or compatibility with goods already owned by the city).*

COMMUNITY BENEFIT:

For the past several years the Fire Department's Strategic Planning efforts have identified the need to provide a Hazardous Materials Response service to the community in an effort to deal with the increasing hazardous materials demands placed by transportation, processing and storage industries. We addressed the technical end of this issue last year by training 14 Goodyear firefighters to Hazardous Materials Technician certification. Also last year, we were able to obtain certain specialized equipment from other cities that could be used during hazardous materials incidents. This equipment has been resourcefully stored on the most appropriate apparatus available, a fire engine at Station 181. In Fiscal Year 03-04 the Council approved the purchase and equipping of a Hazardous Materials Response apparatus. This truck will consist of many easily accessible compartments that will be used to store all of the equipment necessary for responding to, and mitigating hazardous materials incidents. This truck will also have a Command Center in the rear half of the cab, where crews will have the resources available for them to adequately perform testing and analysis on samples to determine their hazardous properties, thus allowing them to identify a plan of action that best correlates with mitigating the hazard.

The community has an expectation, and the City has a duty to provide reliable, responsible and responsive fire services, while acting in a fiscally responsible manner. The Fire Department has conducted competitive bids, per the City's bid process, for fire apparatus on four previous occasions. First In Inc. provided the lowest bid price in all but one bid process, which was awarded to Canyon State Emergency Products (CSEP) for a ladder truck made by E-One Mfg. The fire department has since had the opportunity to put the Pierce and E-One apparatus through a "trial by fire" for many years. During this time we have documented, through service, maintenance and repair records, that Pierce and First In has provided us with an extremely high level of performance. In contrast, CSEP and the E-One truck have seldom come close to meeting our expectations, mainly due to several examples of unreasonable time being taken out of service (several months at a time), their inability to accurately

diagnose and perform repairs, and their failure to respond appropriately to our concerns when brought to their attention.

Because of First In and Pierce's record of competitive pricing, excellent service, reliability and performance on the part of the vendor and the manufacturer, the Fire and Public Works Equipment Management Division (EMD) have developed a preference towards Pierce Mfg. as the apparatus of choice in which to standardize our fleet. Even though First In, Inc. and Pierce Manufacturing have generally provided us with the lowest responsible bid, in cases of life or death responses, service, reliability and performance may be considered to be just as important as the purchase price, as noticed by comparing service and repair records.

DISCUSSION:

On November 11, 2003, Council was approached with a similar COAC to request purchase of a new (replacement) ladder truck on sole-source purchase, which they approved. The primary reason for this sole-source purchase request was to continue to provide standardization for our apparatus.

The Fire Department's Research and Development (R & D) Team, made up of Captains, Engineers, and Firefighters, continues to conduct valuable research to develop specifications for fire apparatus that are reliable, cost effective, and meet the needs of our firefighters to best serve our community. It is anticipated that the department will need to purchase four new fire apparatus over the next 5 years, according to the Fire Department's strategic plan.

Standardization of the Fire Department's apparatus will ensure that this new Hazardous Materials Response truck will continue to keep the configurations of the cab, dashboard layouts, compartments, and mechanical systems consistent with our existing apparatus. Standardization continues to make training simpler for our firefighters, which in turn, provides increased safety, effectiveness, and efficiency during emergency situations. The fire department has previously realized similar benefits through standardization of self-contained breathing apparatus, thermal imaging cameras, and power extrication tools.

Standardization of our fire apparatus also assists the EMD in meeting its goal to provide a higher level of service to the Fire Department. As our mechanics continue to complete training classes to become Certified Emergency Vehicle Technicians, standardization of fire apparatus allows them to receive training directly from Pierce Mfg. to perform repairs that are specific to the Pierce apparatus, rather than receiving a wider range of training that would be needed to maintain and repair several different makes of trucks. This is already allowing more repairs to be done in-house rather than out-sourcing, saving us many hours of time that the truck normally would be out of service. Out-sourcing is more expensive (typical flat rate = \$75.00 per hr.) and requires the apparatus to be delivered, dropped off, then picked up from the shop in Central Phoenix, which typically adds about 2 hours of out of service time. Other efficiencies include the ability for the EMD to cut down the inventory of parts and manufacturer-specific tools, lower expenses for training and certification, and reduce potential repair mistakes by making diagnosing simpler and more routine when working with a single type of apparatus.

The disadvantage of sole-source procurement is the potential for price gouging on the part of the selected distributor and manufacturer. The fire department has made the commitment to

always conduct price comparison checks in order to safeguard against this. In comparing prices for apparatus of this type, we found 4 other Hazardous Materials Response apparatus that have been purchased in the last few years. The most expensive truck was purchased in February, 2001 by the Fremont (CA) Fire Department for \$466,192.00. The least expensive truck, which is very similar to the one we have specified, was purchased by Tampa (FL) Fire Department in 2002 for \$244,000.00 (attachment A). First In Inc, has provided us with a price quote of \$249,790.00 for this Hazardous Materials Response as well as their pre-pay and sales tax discount options which includes 10% discount off the total cost of the truck and 15% off parts (copy attached).

The Fire Department and the EMD will continue to uphold our commitment to be good stewards of the public trust by constantly performing cost comparisons with comparable apparatus on all new purchases to ensure that the price quotes we receive from First In, Inc and Pierce Mfg. remains competitive. We will also continue to support the mission of the department's R & D Team to ensure that we stay abreast of any new equipment, technology, and methods that could benefit the services we provide to our citizens.

Also important to note is in the second quarter of 2003 the Goodyear Fire Department submitted a formal request to receive a grant through the Arizona Division of Emergency Management (ADEM) as part of monies that became available to municipal agencies through the State Homeland Security Grant Program. This grant submittal stated that the money would be used towards the purchase of a Hazardous Materials Response Vehicle. As a result, in June 2003, \$100,000.00 was allocated by ADEM to us to use this money for the intended purchase by April 2005. This \$100,000.00 is reimbursable from ADEM within 30 days after the purchase of the Hazardous Materials truck is made.

FISCAL IMPACT:

The cost of this project is \$400,000.00. \$300,000 has been approved by Council in this year's budget and \$100,000 will be received from the Arizona Division of Emergency Management (ADEM) as part of the State Homeland Security Grant Program.

The cost of the apparatus will be \$249,790.00. First In, Inc. also allows a discount for pre-payment. This project is approved in this fiscal year's budget in account No. 001-2230-422-74-20. This purchase is exempt from bidding requirements due to the standardization of the City of Goodyear's Fire Apparatus Fleet on Pierce Fire Apparatus. [Goodyear City Code Section 3-4-9 (E).] The remaining \$150,210.00 will be spent to equip the apparatus.

REVIEWED BY:


Grant Anderson - Deputy City Manager


Jim Oeser - City Attorney


Larry Price - Finance Director

PREPARED BY:


Department Head


Stephen Cleveland
City Manager

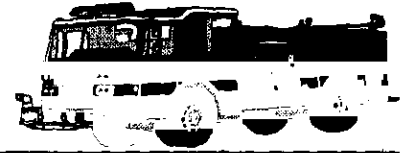
Attachment A

Price Comparisons of Hazardous Materials Response Trucks - May 2004

<u>Fire Dept.</u>	<u>Contact Person</u>	<u>Phone</u>	<u>Year/Make/Model</u>	<u>Cost</u>
Tampa FL	Brian Gummoe	813-274-7011	2002, Enforcer, Custom, Command Cab	\$244,000.00
Denver, CO	Dan Frix	720-865-3850	2002, Enforcer, Custom, HazMat/HD Rescue	\$400,000.00
Fremont, CA	Gary Feliz	510-494-4224	2001, Quantum, Custom, HazMat/HD Rescue	\$466,192.00
Phoenix, AZ	Hoot Gibson	602-262-7775	2004, Freightliner, Commercial, HazMat	\$68,000.00*

* Per Mr. Gibson, this is a bare-bones truck, cab, chassis, and box cabinets similar to a bread truck. Phoenix FD will be making many necessary improvements and additions to the truck, with just the parts estimated to be approx. \$75-85,000.00. He could not provide an estimate of all labor costs involved, or an estimate of the total cost of the finished truck.

FIRST IN, INC.



May 7, 2004

Fire Trucks and Equipment Sales and Service

Chief Mike Ullman
Goodyear Fire Department

Dear Chief Ullman:

Subject: Advantages for Standardization on Pierce Saber 3 Door Encore Rescue

- ✓ **A = A confidential priced componet list of the apparatus would be furnished which shows the normal total price. This price would be discounted 10% as part of a standardization program.**
- B = One important factor in Las Vegas standardizing on Pierce apparatus was a down time study by their support services group which showed that their Pierce apparatus had the least amount of down time. Their previous fleet of apparatus included apparatus from a number of different manufactures.**
- C = Pierce's service and refurbish center in Ontario, California and First In's two service centers in Phoenix and Albuquerque provide unmatched service in the field and in their facilities. Both Pierce and First In carry substantial amounts of liability insurance for the customer's protection as well as stressing training and certification of their mechanics.**
- D = The Saber cab and chassis is one of safest & most user friendly cabs in the fire service.**
- E = Having one configuration of apparatus makes it easier to train fire fighters and they can work faster and safer on scene.**
- F = Having only one type of apparatus reduces the number of parts and different types of installations that your mechanics would have to deal with. Fewer parts means reduced costs & down time. As a result of working on the same configuration of apparatus it is easier to train your mechanics and they get faster at diagnosing, repairing and performing all maintenance functions.**
- ✓ **G = As part of a standardization program we propose to furnish a confidential priced spare parts listing from which the City may take a 15% discount as our way of saying thank you for your business.**

H. Curtis Clifford = Pierce Sales Representative

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